Statement

The break-up of price components of Petrol at Delhi

Share of duties and taxes in Retail Selling Price of Petrol

Sl.No.	Particulars	Rs./Litre
1.	Price without Customs Duty, Excise duty and Sales tax components	21.18
2.	Custom Duty (Based on 1st Fortnight of April' 08)	1.97 (4%)
3.	Excise Duty (levied @ Rs. 14.35/litre plus 3% education cess)	14.78 (32%)
4.	Sales Tax	7.59 (17%)
5.	Total of Customs Duty, Excise Duty and Sales tax components (2+3+4)	24.34 (53%)
6.	Retail Selling Price at Delhi (1+5)	**45.52**

Note: Figures in bracket give the components of customs duty, excise duty and sales tax as a per cent of S.No. 6

Indirect tax structure on petroleum products

2447. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is considering to restructure of indirect tax structure on petroleum products, doing away with the *ad valorem* duty structure and replacing it with specific duties;

(b) if not, the reasons therefor;

(c) whether Government earns a tax of 51 paise on every Re. 1 on petrol and 31 paise on every Re.1 on diesel;

(d) whether it is a fact that with the increase in international prices of petrol and diesel the earning of Government increases; and

(e) why Government may not cut their profit and subsidize the prices of petrol, diesel and LPG for the customers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) In the Union Budget 2008-09, the *ad-valorem* component of Excise Duty on unbranded petrol and unbranded diesel has been abolished and converted to a specific duty of Rs. 14.35 and Rs. 4.60 per litre respectively with effect from 1.3.2008.

(c) The tax component in the retail selling prices of petrol and diesel at Delhi is 53% and 34% respectively. The details are given in the Statement (*See* below).

(d) and (e) *Ad-valorem* Duties and tariffs result in higher revenue earnings from an increase in international oil prices. The contribution of the petroleum sector for the last three years in respect of Customs Duty and Excise Duty is tabulated below:

(Rs. in Crore)

	2004-05	2005-06	2006-07
Customs Duty	11,697	9,157	10,043
Excise Duty (including cess on indigenous crude oil)	43,041	52,064	58,821
TOTAL*:	54,738	61,221	68,864

*Data furnished by oil companies.

To protect the consumers, the retail prices of PDS kerosene has not been increased since March, 2002 and that of Domestic LPG since November, 2004. Under the principle of 'equitable burden sharing', Government, alongwith Oil PSUs, is shouldering the major part of burden of the under-recoveries on the sale of four sensitive petroleum products *viz.* petrol, diesel, PDS kerosene and Domestic LPG, so that only a minimal burden is passed on to the consumers. Under this formula, Government has issued Oil Bonds and Upstream Oil PSUs have given price discount subsidies to OMCs as follows:

(Rs. in Crore)

	2005-06	2006-07	2007-08 Apr-Dec' 07 (Prov.)
Issue of Oil Bonds	11,500	24,121	20,333
Discount from Upstream Companies	14,000	20,507	15,873
TOTAL:	25,500	44,628	36,206

Apart from this, Government has also given subsidy during the last three years on PDS Kerosene and Domestic LPG under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002". The details are given below:

(Rs. in Crore)

	2005-06	2006-07	2007-08
Subsidy on PDS kerosene & Domestic LPG	2661.99	2523.76	2640.60

Statement

The break-up of price components of petrol and diesel at Delhi

Share of duties and taxes in Retail Selling Price of Petrol

Sl. No.	Particulars	Rs./Litre
1.	Price without Customs Duty, Excise duty and Sales tax components	21.18
2.	Custom Duty (Based on 1st Fortnight of April' 08)	1.97 (4%)
3.	Excise Duty (levied @ Rs. 14.35/litre plus 3% education cess)	14.78 (32%)
4.	Sales Tax	7.59 (17%)
5.	Total of Customs Duty, Excise Duty and Sales tax components (2+3+4)	24.34 (53%)
6.	Retail Selling Price at Delhi (1+5)	45.52

Share of duties and taxes in Retail Selling Price of Diesel

Sl. No.	Particulars	Rs./Litre
1.	Price without Customs Duty, Excise duty and Sales tax components	20.88
2.	Custom Duty (Based on 1st Fortnight of April' 08)	2.36 (7%)
3.	Excise Duty (levied Rs. 4.60/litre plus 3% education cess)	4.74 C
4.	Sales Tax (incl. Pollution Cess of Rs. 0.25 per litre)	3.78 (12%)
5.	Total of Customs Duty, Excise Duty and Sales tax components (2+3+4)	10.88 (34%)
6.	Retail Selling Price at Delhi (1+5)	31.76

Note: Figures in bracket give the components of customs duty, excise duty and sales tax as a per cent of Sl. No. 6

Decline production

2448. SHRI A. VIJAYARAGHAVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether production of oil and gas by ONGC had declined after April, 2007;

(b) if so, the reasons therefor, and the steps taken to rectify the same;